



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, MAY 22, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT REACHES SETTLEMENT WITH THE ARIZONA HOSPITAL AND HEALTHCARE ASSOCIATION AND ITS SUBSIDIARY

Settlement Restores Competition for Temporary Nursing Services in Arizona

WASHINGTON — The Department of Justice and the state of Arizona today announced that it has reached a settlement with the Arizona Hospital and Healthcare Association (AzHHA) and its subsidiary, prohibiting the organizations from setting uniform bill rates paid to nurse staffing agencies. The Department's Antitrust Division said that the parties' actions caused the bill rates paid to agencies, and ultimately the wages paid to temporary nurses in Arizona, to stagnate and fall below competitive levels.

The Department and the state of Arizona filed a civil antitrust lawsuit today in U.S. District Court in Phoenix against AzHHA and its subsidiary, AzHHA Service Corporation, which controls the AzHHA Registry, a group purchasing organization for temporary nursing services. At the same time, the Department and the state of Arizona filed a proposed settlement that would resolve the Department's and the state of Arizona's competitive concerns.

"Today's action restores competition in the market for temporary nursing services, which not only will benefit nurses, but also help to improve patient care in Arizona," said Thomas O. Barnett, Assistant Attorney General for the Department's Antitrust Division. "This settlement eliminates AzHHA's anticompetitive activities, while still allowing the Registry to implement quality-assurance controls and credentialing services."

The Department said that hospitals rely on temporary nursing personnel to fill immediate and longer-term needs for nursing staff.

AzHHA operates the Registry to assist its member hospitals with purchasing temporary nursing services from nurse staffing agencies, which directly employ the nurses and bill the hospitals for the nursing services provided. The settlement, if approved by the court, would prohibit AzHHA and its member hospitals from agreeing on competitively sensitive contract terms, including uniform bill rates paid to nurse staffing agencies. The proposed settlement also prevents AzHHA from boycotting or discriminating against agencies or hospitals that choose not to participate in the AzHHA Registry.

The proposed final judgment, along with the Antitrust Division's competitive impact

statement, will be published in the Federal Register, as required by the Antitrust Procedures and Penalties Act. Any person may submit written comments regarding the proposed final judgment within 60-days of its publication to Joseph M. Miller, Acting Chief, Litigation I Section, Antitrust Division, U.S. Department of Justice, 1401 H Street NW, Suite 4000, Washington, D.C. 20530 (Tel: 202-307-0001). At the conclusion of the 60-day comment period, the court may enter the proposed final judgment upon a finding that it serves the public interest.

###

07-379